REGULATION No. VI OF 1890.

(PASSED ON THE 10TH DAY OF NOVEMBER 1890.)

A Regulation to consolidate and amend the law relating to Loans of Money by the Government of Mysore for Agricultural Improvements.

WHEREAS it is expedient to consolidate and amend the law relating to loans of money by the Government of Mysore for agricultural improvements; His Highness the Maharaja is pleased to enact as follows:—

Short title.

1. (1) This Regulation may be called the "Land Improvement Loans Regulation, 1890."

Local extent.

(2) It extends to the whole of the territories of Mysore; and

Commencement.

[a] (3) It shall come into force on the date of the passing thereof.

Acts XXVI of 1871 and XXI of 1876 repealed.

2. (1) The Land Improvement Act, 1871, and Act XXI of 1876 (An Act to amend the Land Improvement Act, 1871), shall, except as regards the recovery of advances made before this Regulation comes into force and costs incurred by the Government of Mysore in respect of such advances, be repealed.

(2) When, in any Act or notification, passed or issued before this Regulation comes into force, reference is made to either of those Acts, the reference shall, so far as may be practicable, be read as applying to this Regulation or the corresponding part of this Regulation.

"Deputy Commissioner" defined.

3. In this Regulation "Deputy Commissioner" includes any officer empowered by the Government of Mysore by name or by virtue of his office to discharge the functions of a Deputy Commissioner under this Regulation.

Purposes for which loans may be granted under this Regulation.

4. Subject to such rules as may be made under section 10, loans may be granted under this Regulation, by such officer as may, from time to time, be empowered in this behalf by the Government of Mysore, for the purpose of making any improvement, to any person having a right to make that improvement, or, with the consent of that person, to any other person.

(2) "Improvement" means any work which adds to the letting value of land, and includes the following, namely:—

(*a*) the construction and repair of wells, tanks and other works for the storage, supply or distribution of water for the purposes of agriculture, or for the use of men and cattle employed in agriculture;

[a-a] This clause was substituted for the original clause (3) by Regulation I of 1901.

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(*b*) the preparation of land for irrigation or cultivation;

(*c*) the drainage, reclamation from rivers or other waters, or protection from floods or from erosion or other damage by water, of land used for agricultural purposes or waste-land which is culturable;

(*d*) the reclamation, clearance, enclosure or permanent improvement of land for agricultural purposes;

(*e*) the renewal or re-construction of any of the foregoing works or alterations therein or additions thereto; and

(*f*) such other works as the Government of Mysore may, from time to time, by notification in the official Gazette, declare to be improvements for the purposes of this Regulation.

Mode of dealing with applications for loans.

5. (1) When an application for a loan is made under this Regulation, the officer to whom the application is made may, if it is, in his opinion, expedient that public notice be given of the application, publish a notice, in such manner as the Government of Mysore may, from time to time, direct, calling upon all persons objecting to the loan to appear before him at a time and place fixed therein and submit their objections.

(2) The officer shall consider every objection submitted under sub-section (1), and make an order in writing either admitting or overruling it:

Provided that, when the question raised by an objection is, in the opinion of the officer, one of such a nature that it cannot be satisfactorily decided except by a Civil Court, he shall postpone his proceedings on the application until the question has been so decided.

Period for repayment of loans.

6. (1) Every loan granted under this Regulation shall be made repayable in such manner and at such time as the Government may prescribe, or by instalments (in the form of an annuity or otherwise), within such period from the date of the actual advance of the loan, or when the loan is advanced in instalments, [a] from the date of the advance of the last instalment actually paid, [a]as may, from time to time, be fixed by the rules made under this Regulation.

(2) The period fixed as aforesaid shall not ordinarily exceed thirty-five years.

[a-a] These words in section 6 sub-section (1) were substituted for the original words by Regulation V of 1899, s. 2.

(3) the Government of Mysore, in making the rules fixing the period, shall, in considering whether the period should extend to thirty-five years or whether it should extend beyond thirty-five years, have regard to the durability of the work for the purpose of which the loan is granted, and to the expediency of the cost of the work being paid by the generation of persons who will immediately benefit by the work.

Recovery of loans.

7. (1) Subject to such rules as may be made under section 10, all loans granted under this Regulation, all interest (if any) chargeable thereon, and costs (if any) incurred in making the same, shall, when they become due, be recoverable by the Deputy Commissioner in all or any of the following modes, namely:—

(*a*) from the borrower as if they were arrears of land-revenue due by him;

(*b*) from his surety (if any) as if they were arrears of land-revenue due by him;

(*c*) out of the land for the benefit of which the loan has been granted, as if they were arrears of land-revenue due in respect of that land;

(*d*) out of the property comprised in the collateral security (if any)—according to the procedure for the realization of land-revenue by the sale of immoveable property other than the land on which that revenue is due:

Provided that no proceeding in respect of any land under clause (*c*) shall affect any interest in that land which existed before the date of the order granting the loan, other than the interest of the borrower, and of mortgagees of, or persons having charges on, that interest, and, where the loan is granted under section 4 with the consent of another person, the interest of that person, and of mortgagees of, or persons having charges on, that interest.

(2) When any sum due on account of any such loan, interest or costs is paid to the Deputy Commissioner by a surety or an owner of property comprised in any collateral security or is recovered under sub-section (1) by the Deputy Commissioner from a surety or out of any such property, the Deputy Commissioner shall, on the application of the surety or the owner of that property (as the case may be), recover that sum on his behalf from the borrower, or out of the land for the benefit of which the loan has been granted, in manner provided by sub-section (1).

Sections 8-10.

(3) It shall be in the discretion of a Deputy Commissioner acting under this section to determine the order in which he will resort to the various modes of recovery permitted by it.

Order granting loan conclusive on certain points.

8. A written order under the hand of an officer empowered to make loans under this Regulation granting a loan to, or with the consent of, a person mentioned therein, for the purpose of carrying out a work described therein, for the benefit of land specified therein, shall for the purposes of this Regulation, be conclusive evidence—

(*a*) that the work described is an improvement within the meaning of this Regulation;

(*b*) that the person mentioned had at the date of the order a right to make such an improvement; and

(*c*) that the improvement is one benefiting the land specified.

Liability of joint borrowers as among themselves.

9. When a loan is made under this Regulation to the members of a village community or to any other persons on such terms that all of them are jointly and severally bound to the Government of Mysore for the payment of the whole amount payable in respect thereof, and a statement showing the portion of that amount which as among themselves each is bound to contribute is entered upon the order granting the loan and is signed by each of them and by the officer making the order, that statement shall be conclusive evidence of the portion of that amount which as among themselves each of those persons is bound to contribute:—

Power to make rules.

10. The Government of Mysore may, from time to time, by notification in the official Gazette, make rules consistant with this Regulation to provide for the following matters, namely;

(*a*) the manner of making applications for loans;

(*b*) the officers by whom loans may be granted;

(*c*) the manner of conducting inquiries relative to applications for loans, and the powers to be exercised by officers conducting those inquiries;

(*d*) the nature of the security to be taken for the due application and repayment of the money, the rate of interest at which, and the conditions under which, loans may be granted, and the manner and time of granting loans;

(*e*) the inspection of works for which loans have been granted;

(*f*) the instalments by which, and the mode in which, loans, the interest to be charged on them and the costs incurred in the making thereof shall be paid;

Sections 11-12.

(*g*) the manner of keeping and auditing the accounts of the expenditure of loans and of the payments made in respect of the same; and

(*h*) all other matters pertaining to the working of the Regulation.

Exemption of improvements from assessment to land-revenue.

11. When land is improved with the aid of a loan granted under this Regulation, the increase in value derived from the improvement shall not be taken into account in revising the assessment of land-revenue on the land:

Provided as follows:—

(1) where the improvement consists of the reclamation of waste land, or of the irrigation of land assessed at unirrigated rates, the increase may be so taken into account after the expiration of such period as may be fixed by rule to be framed by the Government of Mysore;

(2) nothing in this section shall entitle any person to call in question any assessment of land-revenue otherwise than as it might have been called in question if this Regulation had not been passed.

Act III of 1877 amended.

12. (1) In the Indian Registration Act, 1877, section 17, clause (*l*), for the word "certificates" the words "orders granting loans" shall be substituted.

(2) In the same Act, section 58, for the words "a certificate" the words "an order" shall be substituted.

(3) In the same Act, section 89, first clause,

(*a*) for the words "a certificate" the words "a loan," and

(*b*) for the words "such certificate" the words "his order" shall be substitued.